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SUBJECT: JERUSALEM MEDIA REACTION (01/13): Palestinian Authority  
taking steps to improve national economy

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Main Stories:  
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The dailies lead with headlines quoting Palestinian Authority (PA) President Mahmoud Abbas reiterating that the Palestinians will not resume negotiations with the Israelis before a full settlement freeze, mainly in Jerusalem, for a particular period of time.

The dailies also front page news on PA Prime Minister Salam Fayyad at the launching of the National Dignity Fund, an initiative between the PA, civil society and the private sector to clean the Palestinian markets of settlement products and to promote Palestinian products. The participants collected donations from the PA and the private sector worth \$2 million in less than half an hour to support the Fund.

The local press quotes Hamas leader in Gaza Ismail Hanniyeh urging Palestinian factions in Gaza to abide by the cease fire against Israel. In related news, the dailies report on Egyptian Foreign Minister Aboul Gheit criticizing Hamas for demanding that Egypt officially recognize Hamas' right to govern Gaza and stating that Egypt will not do so.

Al-Quds independent daily front pages news that the EU and US are ready to provide urgent financial assistance to support the PA budget. The report notes that after the meeting between Special Envoy George Mitchell and EU representatives in Brussels yesterday, the Norwegian Foreign Minister noted that "we will start the year 2010 by announcing that we are ready to support the PA budget."

PA official daily Al-Hayat Al-Jadida reports that Israeli Prime Minister Benjamin Netanyahu denied news that Foreign Minister Gheit said during a meeting with Arab and European Foreign Ministers that

Netanyahu agreed with Egyptian President Mubarak to discuss the issue of East Jerusalem as a capital for the Palestinians.

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BLOCK QUOTE:

-----Adel Abdel Rahman writing in Al-Ayyam under the title "The National Dignity Fund" opines that the establishment of this fund is a strategic step to support Palestinian economic development and encourage boycotting settlement products. Abdel Rahman calls for for more policy and strategic actions that will support the Palestinian national economy and encourage Arab and foreign investments in Palestine.

RUBINSTEIN